

Michigan Department of Health and Human Services

Outpatient Prospective Payment System (OPPS) 3rd Quarter (July 1 – September 30, 2016) Update Information

The Michigan Department of Health and Human Services (MDHHS) works with Optum, the MDHHS OPPS software vendor, to issue a timed release schedule for annual and quarterly updates to the MI-specific OPPS software. Updates for 3rd-quarter 2016 have been completed and were implemented in mid-August. MDHHS will recycle any OPH/APC and any Ambulatory Surgical Center (ASC) claims impacted as a result of these updates in mid-September.

OPPS/APC and ASC Wrap-Around Code Lists are revised to reflect quarterly updates and are posted timely to the MDHHS website for provider-specific information, available at:
www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information.

NCCI and MUE: MDHHS implemented the Medicaid NCCI and MUE in the MI APC/ASC products and began using the Medicaid NCCI and MUE values for dates of service (DOS) on and after July 1, 2013. The Medicaid NCCI and MUE values are reviewed with the quarterly file review and updates.

Providers should be careful when reporting multiple services with Status Indicator (SI) J1 on the same claim because NCCI logic may result in no payment for any of the reported comprehensive APC (C-APC) services. Usually when multiple J1 procedures/services are reported on the same claim, the procedure with the highest rank is assigned to the C-APC. Certain code combinations of J1 services will also lead to a complexity adjustment to a higher-paying C-APC.

OPPS – REDUCTION FACTOR (RF): MDHHS monitors OPPS (APC) and ASC claims for statewide budget-neutrality. In November 2015, the Centers for Medicare and Medicaid Services (CMS) finalized changes to the Calendar Year 2016 Medicare OPPS system.

Policy (MSA 06-47) states that MDHHS *may* adjust its RF to maintain expenditures within appropriated levels *if* Medicare implements a general rate increase. MDHHS also reserves the right to adjust the OPPS RF if budget concerns are evident and changing significantly prior to the end of the State's fiscal year.

MSA 15-58 provided notification that MDHHS was adjusting the Medicaid OPPS and ASC reduction factor (RF) from 52.3% to 52.5% effective for dates of services (DOS) on or after January 1, 2016, with the final 52.5% RF implemented in order to maintain current statewide budget neutrality. MSA 15-58 is replaced with policy bulletin MSA 16-03 that provided notification MDHHS was adjusting the OPPS and ASC RF from 52.3% **to 52.6%** effective for DOS on or after January 1, 2016. Providers may refer to the RF Outpatient Prospective Payment System and Ambulatory Surgical Center Reduction Factor bulletin available on the MDHHS bulletin website.